

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/2019

BEM2044 – THE ECONOMY OF MALAYSIA

(All sections / Groups)

14 MARCH 2019
9.00 a.m - 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 3 printed pages including cover page with:
Section A: ONE (1) Case study (40 marks)
Section B: THREE (3) Structured questions (60 marks)
2. Answer **ALL** questions in the answer booklet provided.
3. Marks allocations are shown at the end of each question.

SECTION A: CASE STUDY (40 MARKS)**The Knowledge-Based Economy: Malaysian Response**

By M. Kamal Hassan

*Source: Essays on Muslims and the Challenges of Globalisation,
Institute of Policy Studies, Islamabad.*

The currency attacks of mid-1997 and the financial turmoil that followed have seriously undermined Malaysia's economic situation.

The 'tiger economy' was badly wounded but by introducing capital and currency controls to shield its battered economy, Malaysia took a brave and unorthodox decision which earned the ire and scorn of the big powers.

"We should have learnt the bitter lessons of rapid liberalisation. We should only liberalise our financial structures in tandem with the strengthening of our financial institutions, which are still not strong enough. We should also insist on the need for a new international financial architecture that is transparent. Thus we have to prepare to resist undue pressure from the United States and other APKC countries that will want us to liberalise rapidly to suit their own agenda for globalization or what I call the 'gobble-ization' of our institutions and assets."

A few years before the Asian financial crisis hit the Malaysian economy, the Prime Minister of Malaysia announced the establishment of the Multimedia Super Corridor (MSC) to assist in the economic transformation of the country from a production-based economy (P-economy) to a knowledge-based economy (K-economy).

Despite the government initiatives and efforts, Malaysia is still tagging behind in some major developments, such as computer infrastructure, research and development as well as technology and in technical and knowledge skills. It is obvious that if Malaysia is to succeed in the global knowledge-based economy, her population has to overcome the shortage of domestic knowledge workers and acquire the ability to quickly adapt to changing environments.

"As a country, one critical challenge for Malaysia is globalization. The name of the game is competition and efficiency, but the underlying factors are technological advancement and systems. The challenge before us is to be as competitive as we can in this new knowledge-based global economy. What this means is that we have to be able to respond effectively, efficiently and quickly to challenges from both inside and outside the country, because what is considered the latest in the market today can be obsolete within such a short space of time."

Continued...

Read the article and answer the following questions:

- a) Define Knowledge-Based Economy. State any **FOUR (4)** characteristics of Knowledge-Based Economy. (10 marks)
- b) Discuss any **FIVE (5)** challenges of Knowledge-Based Economy. (15 marks)
- c) State any **FIVE (5)** way forward to establish a competitive Knowledge-Based Economy. (15 marks)

SECTION B: STRUCTURED QUESTIONS (60 marks)

Question 1 (20 marks)

- a) Explain any **FOUR (4)** factors that led Malaysia to recover from Asian Financial Crisis 1997. (8 marks)
- b) Discuss any **SIX (6)** Pre-New Economic Model (NEM) issues and challenges. (12 marks)

Question 2 (20 marks)

- a) Examine any **FIVE (5)** factors that affecting tourism industry. (10 marks)
- b) List and explain any **FOUR (4)** types of tourism initiated by the government of Malaysia to promote Malaysia Tourism Industry. (10 marks)

Question 3 (20 marks)

- a) Define "Economic Integration". (3 marks)
- b) Give **FOUR (4)** reasons of the implementation of economic integration. (8 marks)
- c) List and explain the **THREE (3)** objectives of the National Education Blueprint for pre-school to post-secondary education 2013-2035. (9 marks)

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